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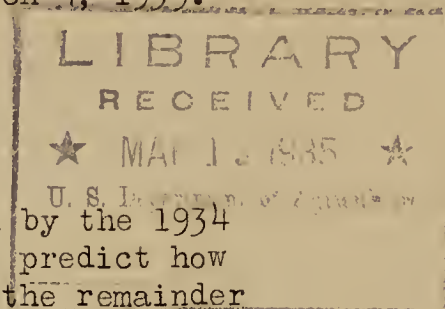


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THE PRESENT FEED SITUATION



The chaos into which agriculture was thrown by the 1934 drought and its aftereffects makes it difficult to predict how feed supplies and feed demand will balance during the remainder of the feeding season. The winter has been open. Feed consumption by animals maintained in breeding condition only has been largely confined to standing vegetation of poor quality, supplemented with low-grade roughages and a very limited amount of grain concentrate and hay.

There are several factors which should be taken into account in analyzing the picture as it is today. These are:

1. Numbers of Livestock

Data recently released by the Bureau of Agricultural Economics indicate that the number of farm animals on hand as of January 1, 1935, was as follows:

	Jan. 1, 1934	Jan. 1, 1935	Reduction during year 1934	Percent of no. on hand year ago
Horses & Mules	16,888,000	16,622,000	266,000	98.4
Cattle	68,290,000	60,667,000	7,623,000	88.8
Sheep	52,212,000	49,766,000	2,446,000	95.3
Swine	57,177,000	37,007,000	20,170,000	64.7

In view of the drastic reduction in hogs, it is conceivable that there will be a materially lower consumption of corn by hogs during the first 6 months of 1935. The reduction in the numbers of cattle likewise could result in a lessened consumption of feeds, especially considering that the number of cattle in feed lots is materially below that of a year ago.

2. Feed Grains on Farms January 1, 1935

Corn. There were on the farms of the United States on January 1, 1935, 814,000,000 bushels of corn in contrast to 1,434,000,000 a year ago and an 8-year average as of January 1, of 1,454,000,000. The amount of corn on farms was 56 per cent of the 8-year average.



Oats. The oats on farms as of January 1 amounted to 346,000,000 bushels. A year ago there were 456,000,000 bushels, the short oat crop of both seasons having cut the amount on hand to a low figure. The 8-year average (1927-1934) of oats on hand January 1 was 667,000,000 bushels. Consequently, there was on hand January 1, 1935, but 52 percent as much oats as usual.

Barley. The drought, coupled with chinch bugs and other adverse factors, cut the 1934 barley crop of the United States to but little more than 1/3 the crop produced in 1932. The 1933 crop likewise was small. Up until 1933 barley was used largely as a feed for livestock. Since then a large amount of it has gone into other channels and boosted the price of barley to a point where it is out of line from the standpoint of the livestock feeder. There will undoubtedly be a considerable acreage of barley planted in the Corn Belt expressly for the purpose of making grain available at the earliest possible date next summer. As barley normally is threshed in the central States during the month of July, a large crop of this would help shorten the period of feed-grain shortage in the Corn Belt.

Basically, these figures look as though an acute shortage of feed grains might develop. In the case of oats, were the Nation to plant an acreage equal to that planted in 1932 when 41,425,000 acres were seeded, 24 percent of the oats on the farms January 1 would be needed for seed. This certainly would leave but little oats for the 17,000,000 horses and mules, most of which start at hard work with the opening of spring, and normally are fed to a large extent upon this grain.

### 3. Livestock-Fattening Operations

Upon January 1 the number of cattle on feed was only 46 percent of the number a year ago. During the last quarter of 1934 the consumption of corn by livestock was cut to approximately 60 percent of consumption for the same period in 1933. During this 3-month period every conceivable factor was adverse to livestock fattening. Markets for finished animals were low. Corn was steadily advancing in price, the peak in November being 14 cents above that in October, and the top in December being 17 cents above the November high point. A shortage of roughage and relatively high prices for what was obtainable, likewise served to handicap livestock-feeding operations.

Shortly before the first of the year, conditions took a favorable turn for the feeder. The corn market gave evidence of having reached its peak. The fat cattle market came to life and advanced a dollar per hundred. Hogs began a steady climb toward what proved to be a favorable price basis.





As a result of what happened in late December and what has happened since, it is quite probable that the livestock feeder has discarded the practice of counting ears and is now using a scoop shovel to get corn to his animals. Furthermore, many cattle have been placed on feed which would not have received a corn crib cross had it not been for the change in conditions. A market which would advance from an \$8 level on December 10 to \$12 for similar cattle on January 28 could not help but put electricity into the veins of the average cattle feeder.

Many heavy, fleshy cattle have been taken off wheat pasture and placed in feed lots; others which were being wintered on dry roughage are now on a full feed of grain. A good many men who bought calves and yearlings last fall expecting to winter them on roughage and feed no grain until late spring have changed their minds and are now feeding at least a half ration of corn.

It will be impossible to tell what the effect of this change of mind will have on the total utilization of corn. However, it would seem safe to say that the disappearance of this grain will be relatively greater during the first 3 months in 1935 than it was during the last 3 months in 1934. During the 3-month period January 1 to April 1, 1934, there was a disappearance of 599,465 bushels of corn. With the total number of animals so greatly reduced it would seem that the disappearance during the current quarter (Jan. to Apr. 1935) would be materially below that of 1934. If it were not, we certainly would run out of corn long before the new crop could be ready.

#### 4. High-Protein Feeds

At present it would seem that the acute shortage is one of feed grains rather than of high-protein supplements. There has been a restricted use of meals together with a relatively large production of the same. Exports have been materially under last year while, over the tariff wall, there have been considerable imports of cottonseed meal, linseed meal, soybean meal, copra meal, bran, shorts, and other high protein feeds. During the next few months the work horse will be one of the biggest users of feed. He can not subsist on a relatively large ration of high-protein feeds. It is seldom considered advisable to use more than 1 to 2 pounds daily of these per horse. He must have a relatively large amount of grain or other feed essentially high in carbohydrate material.

#### 5. Molasses

Molasses as a livestock feed will unquestionably be used on a larger scale than it has been for several years. The price of molasses is reasonable when compared to the price level of most other feeds. In terms of replacement of corn,





the total molasses used can not be a big factor. It is usually figured that 5 gallons of molasses are necessary to replace 1 bushel of corn. Should the anticipated Puerto Rican surplus molasses be brought into the United States, it probably would be less than 50,000,000 gallons, and this would mean a replacement of but 10,000,000 bushels of corn.

#### 6. Imported Feed Grains

There is considerable discussion about imported grains. While more grain has come into the country during recent months than for a number of years past, the total amount in proportion to the drastic curtailment of crops in this country resulting from the 1934 drought constitutes but a drop in the bucket. For instance, between July 1 and February 28 the total imports of corn amounted, in round figures, to 5,000,000 bushels; the total imports of oats to 10,199,000 bushels. Reports from the Argentine are to the effect that all of the old crop corn is sold and most of it on the water. It is doubtful whether the United States will get more than 5,000,000 bushels from the Argentine. New corn is maturing rapidly and will enter the trade some two months hence. The quantity of this brought into the United States will depend entirely upon the demand and price. Normally most of the corn produced in the Argentine goes to Europe. While reports indicate that the Argentine is maturing a very large crop, the amount of it which comes to the United States will be largely determined by conditions 30 and 60 days hence. There is quite a shortage of feed grains in some foreign countries. With a surplus of about 300,000,000 bushels undoubtedly some will spill over the 25 cents per bushel tariff wall and enter United States Seaboard trade.

#### Moisture Conditions

The picture would not be complete without a word about the outlook for 1935. At this writing, the situation as regards moisture is spotted. Part of the drought area of 1934 received exceedingly heavy rainfall in the late summer and fall. Missouri, for instance, received from 20 to 25 inches. Arkansas, most of Oklahoma and Texas, eastern Kansas, eastern Nebraska, Iowa, Minnesota, Wisconsin, Illinois all received relatively heavy fall moisture. West of the 100th meridian the story is different. From the Panhandle section of Texas north into Canada extends an exceedingly dry area. This is bounded on the west by the Rocky Mountains. Spring pasture in this section will undoubtedly be greatly retarded. Reports of February dust storms indicate that winter wheat is out of the picture throughout this vast section. It is en-



tirely possible that rather large quantities of grain and roughage may have to be shipped into this area to take care of livestock remaining on the farms and ranches. An abundance of March and April moisture could brighten the picture. Winter rain has been copious in California, and possibly the early spring may bring a generous downfall in other parts of the country where 1934 failed to distribute the usual allowance.

